

People's Garment Public Company Limited
Review report and interim financial statements
For the three-month and nine-month periods ended
30 September 2019

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of People's Garment Public Company Limited

I have reviewed the accompanying statement of financial position of People's Garment Public Company Limited as at 30 September 2019, the related comprehensive income for the three-month and nine-month periods then ended, the related statement of changes in shareholders' equity, and cash flows for the nine-month period then ended, as well as the condensed notes to the financial statements. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.



Chayapol Suppasdtanon
Certified Public Accountant (Thailand) No. 3972

EY Office Limited
Bangkok: 13 November 2019

People's Garment Public Company Limited

Statement of financial position

As at 30 September 2019

(Unit: Thousand Baht)

	Note	30 September 2019 (Unaudited but reviewed)	31 December 2018 (Audited)
Assets			
Current assets			
Cash and cash equivalents		22,976	19,342
Current investments		153,702	180,085
Current portion of other long-term investments	7	-	65,000
Trade and other receivables	3, 4	135,856	139,686
Inventories	5	312,135	288,059
Other current assets		6,243	5,017
Total current assets		<u>630,912</u>	<u>697,189</u>
Non-current assets			
Investments in available-for-sale securities	6	670,357	674,597
Other long-term investments	7	216,037	161,058
Investments property	8	387	387
Property, plant and equipment	9	127,414	131,972
Intangible assets	10	2,043	3,043
Other non-current assets		1,799	2,151
Total non-current assets		<u>1,018,037</u>	<u>973,208</u>
Total assets		<u><u>1,648,949</u></u>	<u><u>1,670,397</u></u>

The accompanying notes are an integral part of the financial statements.

People's Garment Public Company Limited
Statement of financial position (continued)
As at 30 September 2019

(Unit: Thousand Baht)

	Note	30 September 2019 (Unaudited but reviewed)	31 December 2018 (Audited)
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	3, 11	87,369	76,213
Other current liabilities		5,910	8,098
Total current liabilities		<u>93,279</u>	<u>84,311</u>
Non-current liabilities			
Deferred tax liabilities		35,514	33,455
Provision for long-term employee benefits		66,281	67,400
Total non-current liabilities		<u>101,795</u>	<u>100,855</u>
Total liabilities		<u>195,074</u>	<u>185,166</u>
Shareholders' equity			
Share capital			
Registered			
96,000,000 ordinary shares of Baht 1 each		96,000	96,000
Issued and fully paid			
96,000,000 ordinary shares of Baht 1 each		96,000	96,000
Premium on share capital		325,200	325,200
Retained earnings			
Appropriated - statutory reserve		9,600	9,600
Appropriated - general reserve		2,500	2,500
Unappropriated		775,595	794,176
Other components of shareholders' equity		244,980	257,755
Total shareholders' equity		<u>1,453,875</u>	<u>1,485,231</u>
Total liabilities and shareholders' equity		<u>1,648,949</u>	<u>1,670,397</u>

The accompanying notes are an integral part of the financial statements.

Directors

(Unaudited but reviewed)

People's Garment Public Company Limited

Statement of comprehensive income

For the three-month and nine-month periods ended 30 September 2019

(Unit: Thousand Baht)

	Note	For the three-month period ended 30 September		For the nine-month period ended 30 September	
		2019	2018	2019	2018
Profit or loss:					
Revenues					
Sales income		179,158	147,868	533,914	507,441
Other income		11,189	12,918	42,520	42,468
Total revenues		<u>190,347</u>	<u>160,786</u>	<u>576,434</u>	<u>549,909</u>
Expenses					
Cost of sales		134,852	120,327	411,589	413,886
Selling expenses		4,398	4,988	15,745	13,159
Administrative expenses		48,314	48,377	138,408	146,356
Loss on devaluation of other long-term investments		-	225	21	225
Total expenses		<u>187,564</u>	<u>173,917</u>	<u>565,763</u>	<u>573,626</u>
Profit (loss) before income tax		<u>2,783</u>	<u>(13,131)</u>	<u>10,671</u>	<u>(23,717)</u>
Tax expense	12	(781)	(116)	(5,252)	(3,898)
Profit (loss) for the period		<u>2,002</u>	<u>(13,247)</u>	<u>5,419</u>	<u>(27,615)</u>
Other comprehensive income:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Gain (loss) on changes in value of available-for-sale investments - net of income tax		(10,237)	15,683	(12,775)	(14,131)
Total comprehensive income for the period		<u>(8,235)</u>	<u>2,436</u>	<u>(7,356)</u>	<u>(41,746)</u>
(Unit: Baht)					
Earnings per share					
Basic earnings (loss) per share					
Profit (loss) for the period		<u>0.02</u>	<u>(0.14)</u>	<u>0.06</u>	<u>(0.29)</u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

People's Garment Public Company Limited
Statement of changes in shareholders' equity
For the nine-month period ended 30 September 2019

	Other component of shareholders' equity										Total
	Issued and fully paid share capital	Premium on share capital	Statutory reserve	Retained earnings	Unappropriated	Surplus on changes in value of available-for-sale investments	Gain on increase in fair value of investment resulting from reclassification of convertible debenture to available-for-sale investment	Actuarial gain	Total other component of shareholder's equity		
Balance as at 1 January 2018	96,000	325,200	9,600	2,500	720,199	355,397	-	28,785	384,182	1,537,681	
Loss for the period	-	-	-	-	(27,615)	-	-	-	-	(27,615)	
Other comprehensive income for the period	-	-	-	-	-	(14,131)	-	-	(14,131)	(14,131)	
Total comprehensive income for the period	-	-	-	-	(27,615)	(14,131)	-	-	(14,131)	(41,746)	
Dividends paid (Note 13)	-	-	-	-	(22,080)	-	-	-	-	(22,080)	
Balance as at 30 September 2018	96,000	325,200	9,600	2,500	670,504	341,266	-	28,785	370,051	1,473,855	
Balance as at 1 January 2019	96,000	325,200	9,600	2,500	794,176	217,281	6,761	33,713	257,755	1,485,231	
Profit for the period	-	-	-	-	5,419	-	-	-	-	5,419	
Other comprehensive income for the period	-	-	-	-	-	(12,775)	-	-	(12,775)	(12,775)	
Total comprehensive income for the period	-	-	-	-	5,419	(12,775)	-	-	(12,775)	(7,356)	
Dividends paid (Note 13)	-	-	-	-	(24,000)	-	-	-	-	(24,000)	
Balance as at 30 September 2019	96,000	325,200	9,600	2,500	775,595	204,506	6,761	33,713	244,980	1,453,875	

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

People's Garment Public Company Limited

Cash flow statement

For the nine-month period ended 30 September 2019

(Unit: Thousand Baht)

	2019	2018
Cash flows from operating activities		
Profit (loss) before tax	10,671	(23,717)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	9,718	13,493
Reversal of doubtful accounts	(1,108)	(450)
Reversal of reduction of inventories to net realisable value	(19,668)	(8,003)
Unrealised gain on current investments	(725)	(582)
Gain on sales of current investment	(894)	-
Gain on sale of investment in available-for-sale securities	(1,573)	(192)
Loss on devaluation of other long-term investment	21	225
Interest income	(9,240)	(7,722)
Dividends income	(14,423)	(16,643)
Gain on sales of equipment	(677)	(388)
Unrealised loss on exchange	586	82
Long-term employee benefits expenses	6,037	8,211
Loss from operating activities before changes in operating assets and liabilities	(21,275)	(35,686)
Operating assets (increase) decrease		
Trade and other receivables	1,442	52,538
Inventories	(4,407)	2,083
Other current assets	(756)	2,018
Other non-current assets	-	233
Operating liabilities increase (decrease)		
Trade and other payables	12,793	5,449
Other current liabilities	(2,188)	(784)
Cash paid for long-term employee benefits	(7,156)	(21,076)
Cash flows from (used in) operating activities	(21,547)	4,775
Cash paid for income tax	(471)	(710)
Net cash from (used in) operating activities	(22,018)	4,065

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

People's Garment Public Company Limited

Cash flow statement (continued)

For the nine-month period ended 30 September 2019

(Unit: Thousand Baht)

	2019	2018
Cash flows from investing activities		
Current investment (increase) decrease	27,998	(31,710)
Cash received from sales of available-for-sale securities	265,147	30,555
Cash paid for acquisitions of available-for-sale securities	(274,659)	(4,878)
Cash received from shares reduction of other long-term investments	-	139
Cash received from redemptions of held-to-maturity securities	65,000	15,000
Cash paid for acquisitions of held-to-maturity securities	(55,000)	(15,000)
Dividends income	14,437	16,643
Interest income	9,860	7,728
Cash paid for acquisitions of equipment	(3,929)	(5,075)
Cash received from proceeds from sales of equipment	810	633
Cash paid for acquisitions of intangible assets	(12)	-
Net cash from investing activities	49,652	14,035
Cash flows from financing activities		
Dividends paid	(24,000)	(22,080)
Net cash used in financing activities	(24,000)	(22,080)
Net increase (decrease) in cash and cash equivalents	3,634	(3,980)
Cash and cash equivalents at beginning of period	19,342	39,136
Cash and cash equivalents at end of period	22,976	35,156

Supplemental cash flows information:

Non-cash transactions

Unrealised loss on changes in value of

available-for-sale investments - net of income tax

(12,774) (14,131)

Decrease in payable from acquisitions of investment in

available-for-sale securities

1,633 -

Decrease in receivables from sale of investment in

available-for-sale securities

2,270 -

The accompanying notes are an integral part of the financial statements.

People's Garment Public Company Limited

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2019

1. General information

1.1 Corporate information

People's Garment Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company's principal activities are manufacturing and distributing ready-made cloths. The registered office of the Company and factory is located at No. 666 Rama 3 Road, Bangpongpan, Yannawa, Bangkok. The Company has three plants as follow:

- No. 77 Moo 6, Lampang-Chiangmai Road, Baanklang, Muang Lamphun, Lamphun,
- No. 216 Moo 5, Suwannasorn Road, Nonthri, Kabinburi, Prachinburi,
- No. 114 Moo 5, Wellgrow Industrial Estate, Bangna-Trad Road, Bangsamak, Bangpakong, Chachoengsao

1.2 Basis for the preparation of the interim financial statements

These interim financial statements are prepared in accordance with Thai Financial Reporting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

These interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

1.3 New accounting standards

(a) Financial reporting standards that became effective in the current year

During the period, the Company has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, the new standard involves changes to key principles, which are summarised below:

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The Company adopted this financial reporting standard without any material effecting to the Company, except the effect in the statements of comprehensive income in relation to the adjustment of marketing support expense that the Company has been charged by department stores for consignment sales. It should be treated as selling expense rather than recognised as discount and netted against sales revenue. However, the comparative statements of comprehensive income was not restated.

(Unaudited but reviewed)

The amounts of adjustments affecting the statements of comprehensive income for the three-month and nine-month period ended 30 September 2019 are summarised below.

(Unit: Thousand Baht)

	Previous <u>accounting policy</u>	<u>Reclassify</u>	<u>TFRS 15</u>
Statement of comprehensive income for the three-month period ended 30 September 2019			
Profit or loss:			
Sales income	178,601	557	179,158
Selling expenses	3,841	557	4,398

(Unit: Thousand Baht)

	Previous <u>accounting policy</u>	<u>Reclassify</u>	<u>TFRS 15</u>
Statement of comprehensive income for the nine-month period ended 30 September 2019			
Profit or loss:			
Sales income	531,679	2,235	533,914
Selling expenses	13,510	2,235	15,745

(b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Company is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

2. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2018, and adoption of TFRS 15, Revenue from Contracts with Customers (as described in Note 1.3 (a) to the interim financial statements).

(Unaudited but reviewed)

3. Related party transactions

During the period, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Thousand Baht)

	For the three-month		For the nine-month		Pricing policies
	period ended		period ended		
	30 September		30 September		
	2019	2018	2019	2018	
<u>Transactions with related companies</u>					
Sales of goods	96,228	104,848	330,509	360,346	Cost plus margin
Other income	2,404	2,068	7,778	7,209	Actual incurred
Dividends income	1,620	3,375	10,259	13,682	As declared
Rental income	1,139	1,116	3,442	3,441	Contract price
Service income	-	458	-	1,473	Contract price
Service expenses	13,504	2,507	34,817	8,807	Contract price
Purchase of raw materials	927	2,925	8,231	4,960	Cost plus margin
Purchase of goods	1,927	18,445	16,294	63,120	Cost plus margin
Purchase of machinery and equipment	-	-	-	10	Appraisal value approximated market price
Rental expenses	1,612	1,576	4,837	5,393	Contract price
Royalty fee	9	3	13	66	Contract price
Other expenses	636	834	3,015	3,062	Actual incurred

The balances of the accounts as at 30 September 2019 and 31 December 2018 between the Company and those related parties were as follows.

(Unit: Thousand Baht)

	30 September	31 December
	2019	2018
<u>Trade accounts receivable - related parties (Note 4)</u>		
Related companies	66,325	73,786
<u>Other receivables - related parties (Note 4)</u>		
Related companies	477	624
<u>Trade accounts payable - related parties (Note 11)</u>		
Related companies	7,175	7,342

(Unaudited but reviewed)

(Unit: Thousand Baht)

	30 September 2019	31 December 2018
<u>Other payables - related parties (Note 11)</u>		
Related companies	66	40
<u>Provision for goods returned - related parties</u> (presented under other current liabilities)		
Related companies	2,130	2,130
<u>Directors and management compensation</u>		

During three-month and nine-month periods ended 30 September 2019 and 2018, the Company had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2019	2018	2019	2018
Short-term employee benefits	3,493	3,241	10,391	9,721
Termination benefits	249	178	746	566
Total	3,742	3,419	11,137	10,287

4. Trade and other receivables

(Unit: Thousand Baht)

	30 September 2019	31 December 2018
<u>Trade accounts receivable - unrelated parties</u>		
Not yet due	40,253	29,735
Overdue:		
Not over 3 months	23,921	28,534
3 - 6 months	2,437	1,375
Over 6 months	12,172	13,701
Total	78,783	73,345
Less: Allowance for doubtful accounts	(12,171)	(13,279)
Trade accounts receivable - unrelated parties	66,612	60,066

(Unaudited but reviewed)

(Unit: Thousand Baht)

	30 September 2019	31 December 2018
<u>Trade accounts receivable - related parties</u>		
Not yet due	65,545	68,841
Overdue:		
Not over 3 months	780	4,945
Trade accounts receivable - related parties	66,325	73,786
<u>Other receivables</u>		
Other receivables - unrelated parties	2,442	5,210
Other receivables - related party	477	624
Total other receivables	2,919	5,834
Total trade and other receivables	135,856	139,686

5. Inventories

Allowance for diminution in values of inventories

Movements in allowance for diminution in values of inventories account during the nine-month period ended 30 September 2019 were summarised below.

(Unit: Thousand Baht)

Balance as at 1 January 2019	44,950
Less: Reversal on allowance for diminution in values of inventories during the period	(19,668)
Balance as at 30 September 2019	25,282

6. Investments in available-for-sale-securities

(Unit: Thousand Baht)

	30 September 2019	31 December 2018
Investments in marketable securities		
Investments in related companies - at cost		
Balance at beginning of period/year	128,126	107,524
Conversion of convertible debenture to ordinary share	-	28,102
Sales of investments	-	(7,500)
Balance at end of period/year	128,126	128,126
Changes in value of investments		
Add: Unrealised gain	264,085	285,238
Less: Unrealised loss	(90)	(87)
Total	392,121	413,277

(Unaudited but reviewed)

(Unit: Thousand Baht)

	30 September 2019	31 December 2018
Investments in other companies - at cost		
Balance at beginning of period/year	117,454	125,499
Purchases of investments	55,110	39,594
Sales of investments	(47,325)	(47,639)
Balance at end of period/year	125,239	117,454
Changes in value of investments		
Add: Unrealised gain	49,875	45,178
Less: Unrealised loss	(59,438)	(59,063)
Total	115,676	103,569
Investments in debt securities - at cost		
Balance at beginning of period/year	157,431	-
Purchases of investments	217,901	191,217
Sales of investments	(213,973)	(33,786)
Balance at end of period/year	161,359	157,431
Changes in value of investments		
Add: Unrealised gain	1,201	320
Total	162,560	157,751
Total fair value of investments in available-for-sale securities	670,357	674,597
Cash received from sales of investments in available-for-sale securities for the period/year	265,147	240,253

As at 13 November 2019, total fair value of investments in available-for-sale was Baht 667.1 million.

7. Other long-term investments

As at 30 September 2019 and 31 December 2018, other long-term investments were summarised as follow:

	(Unit: Thousand Baht)	
	30 September 2019	31 December 2018
Deposit receipt	20,000	20,000
Investments in debt securities		
Mature within 1-year	-	65,000
Mature within 2 to 5 years	125,000	95,000
Mature over 5 years	25,000	-
Total	150,000	160,000
Less: Mature within 1 year	-	(65,000)
Total investments in debt securities	150,000	95,000
Investments in equity securities		
Investments in related companies	51,056	51,806
Less: Allowance for diminution in investment value	(5,019)	(5,748)
Total investment in equity securities	46,037	46,058
Total other long-term investments	216,037	161,058
Dividends income	2,330	2,378
Cash received from sale of investment for the period/year	-	1,428

During the current period, the Company has invested in held-to-maturity debentures total Baht 55 million as follows:

- 1) 20,000 units debentures of CPALL Public Company Limited at face value of Baht 1,000 each. The debentures carried interest at a rate 4.40% per annum with the redemption period of 12 years (18 January 2031).
- 2) 20,000 units debentures of Thai Beverage Public Company Limited at face value of Baht 1,000 each. The debentures carried interest at a rate 3.00% per annum with the redemption period of 2 years (22 March 2021).
- 3) 10,000 units debentures of Minor International Public Company Limited at face value of Baht 1,000 each. The debentures carried interest at a rate 3.10% per annum with the redemption period of 3 years (29 March 2022).

(Unaudited but reviewed)

- 4) 5,000 units debentures of TMB Bank Public Company Limited at face value of Baht 1,000 each. The debentures carried interest at a rate 4.00% per annum with the redemption period of 10 years (26 June 2029).

During the nine-month period ended 30 September 2019, the Company had reversed the allowance for diminution in value of other long-term investments Baht 0.73 million (2018: the Company had recorded the allowance for diminution in value of other long-term investments Baht 0.02 million).

8. Investment property

	(Unit: Thousand Baht)	
	30 September 2019	31 December 2018
Investment property - net	387	387
Fair value	15,305	15,305

During the three-month and nine-month periods ended 30 September 2019, the rental income arising from investment property, charged to a related party, was Baht 1.2 million and Baht 3.4 million, respectively (2018: Baht 1.2 million and Baht 3.4 million, respectively).

9. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2019 were summarised below.

	(Unit: Thousand Baht)
Net book value as at 1 January 2019	131,972
Acquisitions during period - at cost	3,929
Disposals during period - net book value as at disposal date	(133)
Depreciation for period	(8,354)
Net book value as at 30 September 2019	127,414

10. Intangible assets

Movements of intangible assets, computer software, during the nine-month period ended 30 September 2019 were summarised below.

	(Unit: Thousand Baht)
Net book value as at 1 January 2019	3,043
Acquisitions during period - at cost	12
Amortisation for period	<u>(1,012)</u>
Net book value as at 30 September 2019	<u>2,043</u>

11. Trade and other payables

	(Unit: Thousand Baht)	
	30 September 2019	31 December 2018
Trade accounts payable - related parties	7,175	7,342
Trade accounts payable - unrelated parties	57,488	49,050
Other payables - related parties	66	40
Other payables - unrelated parties	22,640	19,781
Total trade and other payables	<u>87,369</u>	<u>76,213</u>

12. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax for the three-month and nine-month periods ended 30 September 2019 and 2018 were made up as follows:

	(Unit: Thousand Baht)			
	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2019	2018	2019	2018
Current income tax:				
Interim income tax charge	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	781	116	5,252	3,898
Tax expense reported in the statement of comprehensive income	<u>781</u>	<u>116</u>	<u>5,252</u>	<u>3,898</u>

(Unaudited but reviewed)

The amount of income tax relating to each component of other comprehensive income for the three-month and nine-month periods ended 30 September 2019 and 2018 were as follows:

	(Unit: Thousand Baht)			
	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2019	2018	2019	2018
Deferred tax relating to gain (loss) on changes in value of available-for-sale investments	<u>(2,560)</u>	<u>3,921</u>	<u>(3,194)</u>	<u>(3,533)</u>

13. Dividends paid

Dividend	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)
<u>2019</u>			
Dividend announced from retained earnings	Annual General Meeting of the shareholders on 23 April 2019	<u>24.00</u>	<u>0.25</u>
<u>2018</u>			
Dividend announced from retained earnings	Annual General Meeting of the shareholders on 24 April 2018	<u>22.08</u>	<u>0.23</u>

14. Segment information

The Company is principally engaged in the manufacturing, distributing and retailing textile, garment and leather industries. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

Major customer information

For the three-month and nine-month periods ended 30 September 2019, the sale revenue of Baht 93 million and Baht 312 million, respectively (2018: Baht 99 million and Baht 334 million, respectively) was from a major customer which is related company.

15. Commitments and contingent liabilities**15.1 Operating lease commitments**

The Company has commitments with regard to the rent of retail shops under the non-cancellable rental agreements with the term of 1 - 5 years. The Company had obligations to pay rental fees through the rent period as follows:

	(Unit: Thousand Baht)	
	30 September 2019	31 December 2018
Payable:		
Up to 1 year	6,796	3,553
In over 1 and up to 5 years	1,215	152

15.2 Use of trademarks commitments

The Company has entered into an agreement with the holder of rights in a trademark (2018: two trademarks) related to the manufacture and distribute ready-made garment. Under the conditions of the agreement, the Company commits to pay royalty fee at rate of 3.5% based on sales revenue (2018: 0.5% - 3.5% based on sales revenue).

15.3 Bank guarantees

The Company has outstanding bank guarantees issued by the banks on behalf of the Company as required in the normal course of business for guarantee as follows:

	(Unit: Million Baht)	
Bank guarantees for	30 September 2019	31 December 2018
Electricity use	2.2	2.4
Payment due to creditors	0.4	0.1
Total	2.6	2.5

16. Fair values of financial instruments

The Company uses the market approach to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

In applying the above-mentioned valuation techniques, the Company endeavors to use relevant observable inputs as much as possible. TFRS 13 *Fair Value Measurement* establishes a fair value hierarchy categorising such inputs into three levels as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

The Company had assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Million Baht)			
As at 30 September 2019	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Current investments				
Investments in Open-end Fund	-	133.7	-	133.7
Available-for-sale investments				
Investments in debt securities	-	162.6	-	162.6
Investments in marketable securities	499.8	8.0	-	507.8

	(Unit: Million Baht)			
As at 31 December 2018	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments				
Investments in Open-end Fund	-	160.0	-	160.0
Investments in available-for-sale securities				
Investments in debt securities	-	157.8	-	157.8
Investments in marketable securities	506.0	10.8	-	516.8

During the current period, there were no transfers within the fair value hierarchy.

17. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 13 November 2019.